



# NORTH ARKANSAS REGIONAL MEDICAL CENTER

Manual: Finance

Section:

Policy

Title: Financial Assistance Policy

Procedure

Other \_\_\_\_\_

New

Supersedes Date/Title of Item replaced: Financial Assistance Policy effective

Effective Date **April 1, 2023**

Page 1 of 9.

Administration approval \_\_\_\_\_

Date \_\_\_\_\_

Board of Directors approval \_\_\_\_\_

Date \_\_\_\_\_

## 1.0 Policy:

As part of its mission and commitment to provide quality health care to all, regardless of their ability to pay, North Arkansas Regional Medical Center (“NARMC”) provides financial assistance to patients who qualify for assistance pursuant to this Financial Assistance Policy (“Policy”). This Policy is designed to allow relief of all or part of the charges that exceed a qualifying patient’s reasonable ability to pay. NARMC will not charge qualifying patients more for emergency or other medically necessary care than the amounts generally billed (“AGB”) to individuals who have insurance coverage.

All individuals who come to the NARMC Emergency Department for an examination or treatment for a medical condition will be screened to determine whether an emergency medical condition exists consistent with NARMC’s Emergency Department Plan and Care of OB Triage Patients Policy. Neither the initial medical screening nor lifesaving treatment will be impeded by inquiries about the individual’s method of payment or insurance status. NARMC will provide care of emergency medical conditions to individuals regardless of ability to pay.

## 2.0 Scope:

This Financial Assistance Policy applies to all NARMC facilities licensed as a hospital under Arkansas State Law. Rural Health Clinics (Claude Parrish Community Health Center, Marshall Family Practice, and Newton County Family Practice), Non-RHC Physician Offices/Clinics owned by NARMC and the following providers are covered by the Financial Assistance Policy: Anesthesia, Emergency Room, Hospitalists, Sleep Lab, Wound Care and Pain Management. This Policy excludes the following providers: all physicians and other providers not employed by NARMC or at facilities not owned or operated by NARMC (“Independent Physicians”), including Radiologists and Pathologists. NARMC shall not discriminate on the basis of race, color, national origin, sex, age, marital status, sexual orientation, identify or disability.

- 2.1 The Financial Assistance Program is intended to serve all patients who reside in NARMC service area including Boone County, Newton County, Searcy County, Carroll County, and Marion County (all of the aforementioned counties are located in Arkansas).
- 2.2 Patients residing elsewhere will be considered on a case by case basis including those who are injured or become ill while traveling through the area and those who are directly admitted by a physician with admitting and/or surgical privileges at NARMC.

### **3.0 Purpose:**

This Policy is intended as a guideline to define the parameters of the eligibility requirements and assistance offered under the Policy. This Policy also serves to meet the requirements set forth in the Internal Revenue Code Section 501(r).

### **4.0 Definitions:**

- 4.1 Amounts Generally Billed (AGB): NARMC will apply the look-back method for determining AGB. NARMC will determine the AGB for emergency or other medically necessary care by multiplying the Gross Charges by the AGB percentage for all Self Pay patients.
- 4.2 AGB Percentage: NARMC will review actual past claims paid to the hospital by Medicare fee-for-service together with all private health insurers paying claims to the hospital to establish a percentage of total charges to be discounted annually. The hospital will discount claims of qualifying patients by 66% from gross charges and the Rural Health Centers and Non-RHC Physician Offices/ Clinics owned by NARMC will discount claims of qualifying patients by 38% from gross charges. A description of the AGB calculation may be obtained from the Administration Offices of NARMC free of charge.
- 4.3 Federal Poverty Guidelines (FPG): Guidelines published annually in the Federal Register; amounts are driven based on income and family size; FPG is used as the basis for determining categorization of financial assistance program.
- 4.4 Financial Assistance: Assistance granted for services and supplies provided to a patient whose financial circumstances, as determined by a formal financial evaluation process, do not permit patient or guarantor to pay all or part of the expenses incurred at NARMC.

### **5.0 Eligibility Criteria:**

Eligibility for financial assistance under this Policy will be based on a number of factors including, but not limited to: Citizenship or legal permanent resident status in the United States, service area residents, bill amount, income level and assets.

- 5.1 Patients who are determined to be financially indigent with a net household income of 0% to 138% of the Federal Poverty Guidelines, as updated by the U.S. Department of Health and Human Services, may be eligible for a financial assistance discount of 100%. See Schedule A of the Financial Assistance Eligibility Discount Guidelines.
- 5.2 Patients who are determined to be financially indigent with a net household income of 138% to 200% of the Federal Poverty Guidelines may qualify for a financial assistance discount of 50% of AGB. See Schedule A of the Financial Assistance Eligibility Discount Guidelines.
- 5.3 The approved financial assistance percentage as set forth in 5.1 and 5.2 of this Policy will be applied to all existing accounts with debit balances for dates of services on or after August 1, 2014.
- 5.4 The Financial Assistance Program is intended to serve residents as set forth in 2.1 and 2.2 of this Policy.
- 5.5 Patient must be a US citizen or legal permanent resident of the United States.

## **6.0 Services Covered Under This Policy**

All emergency and medically necessary charges are covered under this policy. Medical necessity will be determined based on utilization review criteria and by one or more of the following: Consultation with the patient's physician/office nurse; Consultation with the Case Manager or other clinical staff; Milliman or Interqual Criteria; Medicare, Medicaid, Blue Cross Blue Shield, and/or other 3<sup>rd</sup> party criteria for coverage.

NARMC reserves the right to limit the services covered by this Policy. Services that may not be covered by this Policy include, but are not limited to:

- a. Independent physicians' fees;
- b. Optional accommodations;
- c. Elective procedures (non-medically necessary). The following are some examples but are not meant to be an exclusive list: sterilization and reversal of sterilization, orthopedic surgery not involving a fracture, tendon rupture, EGDs and colonoscopies for screening purposes, hernia repairs not involving strangulation, female reproductive system procedures not related to malignancy or childbirth (tubal ligations are considered non-emergent), urological procedures not related to urethral or ureteral obstruction or malignancy, ENT procedures not related to airway obstruction or malignancy, investigative procedures, cosmetic procedures unless in connection with a mastectomy or reconstruction of the breast on which the mastectomy has been performed, and pain management injections or procedures; and,

- d. Equipment or services supplied by North Arkansas Regional Medical Center affiliates other than hospitals or physicians employed by the hospital.

## **7.0 Limitation on Charges**

- 7.1 In the case of emergency or other medically necessary care, a patient who is eligible for assistance under this Policy will not be charged more than the amounts generally billed (AGB) for individuals who have insurance coverage.
- 7.2 In the case of all other medical care, a patient who is eligible under this Policy will be charged an amount less than the gross charges.

## **8.0 Measure To Publicize the Financial Assistance Policy**

The following measures are used to publicize the Policy to the community and patients:

- 8.1 Posting the Financial Assistance Policy, Financial Assistance Application and a summary of the Policy on the NARMC website at the following location: [www.narmc.com](http://www.narmc.com)
- 8.2 Providing paper copies of the Policy, application and summary of the Policy upon request in admissions and patient financial services at NARMC and at the Rural Health Centers and Non-RHC Physician Offices/Clinics owned by NARMC.
- 8.3 Posting notices about the Policy in the emergency department, admitting areas and business office of NARMC and in Rural Health Centers and Non-RHC Physician Offices/Clinics owned by NARMC.
- 8.4 Distributing a plain language summary of the Policy and offering a Financial Assistance application to patients at registration or before discharge from the hospital.
- 8.5 Informing patients about the Policy in person or during billing and customer service phone contacts.
- 8.6 Providing a summary of this Policy in the patients' monthly billing statements.
- 8.7 Providing a summary of the Policy to the offices of Arkansas Department of Human Services (DHS) and North Arkansas Partnership for Health Education (NAPHE).

## **9.0 Billing and Collections Policy**

NARMC will make reasonable efforts to ensure that patients are billed for their services accurately and timely. NARMC will attempt to work with all patients to establish suitable payment arrangements if payment in full cannot be made at the time services are provided or upon the first patient bill being delivered to the patient.

NARMC will make reasonable efforts to identify those patients in need of financial assistance at the point of patient access to the organization. The CFO for NARMC will have the final authority for determining that NARMC has made reasonable efforts to determine financial assistance eligibility.

After the patient's bill is reduced by the discounts based on the Financial Assistance Eligibility Discount Guidelines, the patient is responsible for the remainder of the outstanding patient account balances. Failure to honor payment arrangements on amounts exceeding any financial assistance adjustments may result in the total financial assistance being revoked.

Patients receiving services from the hospital and the Rural Health Centers will be invoiced for any remaining amounts in accordance with the following:

- 9.1 Patients will receive their first statement within 15 days from computation of the final bill.
- 9.2 NARMC will include a plain language summary of the Policy with all billing statements (minimum of 3 statements) and with any other written communications regarding the bill that is provided to the patient.
- 9.3 NARMC shall inform the patient about the Policy in all oral communications regarding the amount due. Reasonable efforts will be made to orally notify each patient about the FAP process and how they may obtain assistance within 120 days of the first statement.
- 9.4 NARMC will provide the patient with at least one written notice that informs the patient about the ECAs that may be taken if the Financial Assistance Application is not submitted or the amount is not paid in full by the due date specified in the notice that is no earlier than the last day of the notification period; and is provided to the patient at least 30 days before the deadline specified in the written notice.
- 9.5 NARMC shall not undertake ECAs in less than 120 days from the date of the first statement. Patients may request financial assistance up to 240 days from the date of the patient's first statement. After the 120 day notification period, NARMC's CFO, or designee, will review accounts to ensure all reasonable efforts to determine FAP eligibility have been made before assigning an account to a collection agency.
- 9.6 If the patient submits an incomplete Financial Assistance Application within 120 days from the first statement date, NARMC shall suspend all ECAs and provide the patient with a written notice describing the additional information/documentation that is required to complete the application. If the patient fails to provide the additional information requested by the date specified in the written notice, NARMC may proceed with ECAs.
- 9.7 Completed Financial Assistance Applications submitted within the 240 day period shall be reviewed by NARMC. A determination shall be made and documented as to whether the patient is eligible and written notification shall be sent to the patient describing the eligibility determination (including, if applicable, the assistance for which the individual is eligible) and the basis for the determination.

9.8 If NARMC determines the patient to be eligible they will: provide the patient with a billing statement showing the amount owed and how NARMC determined the amount owed as a FAP eligible patient; refund any amounts paid in excess of the amount the patient is determined to owe as a FAP eligible patient; and take all reasonably available measures to reverse any ECA taken against the individual including vacate judgments, lift any lien or levy and remove from the patient's credit report any information that was reported to a consumer reporting agency or credit bureau.

9.9 Payment plan options are available by contacting the Patient Financial Services department.

NARMC contracts with PCM known as Professional Credit Management, Inc. for its patient and/or guarantor collection processes, to include pre-collection agency follow up and bad debt collection agency placement. NARMC patient accounts are subject to the following ECAs:

- a. Actions that require a legal or judicial process
- b. Credit Agency Reporting
- c. Placement with a collection agency
- d. Placement of a lien on property
- e. Foreclosure on a property
- f. Garnish wages

PCM shall: refrain from ECAs until NARMC has made reasonable efforts to determine FAP eligibility; suspend any ECAs if the patient submits a FAP application, until NARMC determines FAP eligibility; if the patient is FAP eligible, will ensure that the patient does not pay PCM or NARMC more than the patient is required to pay under the FAP. A free copy of the Billing and Collection Policy may be obtained from the Patient Financial Services department.

## **10.0 Method for Applying for Financial Assistance**

Application for financial assistance can be initiated by a patient in person at admissions or at patient financial services or respective clinic offices; over the phone by calling (870) 414-5498; through the mail at NARMC 620 N. Main, Harrison AR 72601, Attn: Patient Financial Services; or via the NARMC website ([www.narmc.com](http://www.narmc.com)). It is ultimately the patient's responsibility to provide the necessary information to qualify for financial assistance. There is no assurance that the patient will qualify for financial assistance. Completed applications may be returned to Patient Financial Services department or admissions/registration offices of NARMC or respective clinic.

## **11.0 Determination of Financial Assistance**

Financial assistance discounts are to be assessed only as a last resort, and all current or potential third party coverage is to be considered primary to a discount. This includes, but is not limited to, any coverage such as commercial insurance, Medicare, Workers Compensation, COBRA, Medicaid, and liability or auto insurance that covers the medical service in question.

The patient is required to apply for all applicable programs for which he/she may be eligible as a condition for applying for financial assistance discounts, and failure to seek eligibility from these sources may result in a denial of financial assistance under this Policy.

## 11.1 Financial Assistance Assessment

Determination of financial assistance will be in accordance with procedures that may involve:

- 11.1.1 An application process, in which the patient or patients' guarantor is required to supply information and documentation relevant to making a determination of financial need;
- 11.1.2 A review of the patient's available assets (if liquid assets exceed \$10,000);
- 11.1.3 A review of household size and the household net income for the three months prior to the date of service;
- 11.1.4 A presumptive eligibility determination in unusual or extenuating circumstances (such as homelessness) when a patient is unable to submit a complete application. Presumptive eligibility may be set either by policy or on a case-by-case basis by NARMC's CFO.
- 11.1.5 Claude Parrish Cancer Center-implement drug manufacturer assistance efforts for self-pay patients to minimize the expense of high cost drugs.
- 11.1.6 Financial counselors to assist Medicare patients to see if they may qualify for Medicaid as a secondary payer to reduce FAP and Medicare BD.
- 11.1.7 Effective and timely routine review of subsidy accounts to assist with FAP assistance ensuring timely write off adjustments of patients who qualify.

## 11.2 Definition of Household Size and Household income

- 11.2.1 When determining household size and household income, all individuals (including and unborn fetus living within the household), regardless of marital status, is counted as a family member.

## 11.3 Income Verification

Income verification will be documented with the financial assistance application through one or more of the following mechanisms:

- 11.3.1 Payroll stubs showing net income for all wage earners in the household for the most recent three month period;
- 11.3.2 Signed letters from employers on business letterhead stating net income for the specified time;
- 11.3.3 Bank statements and investment statements for the past three months for all account holders in the household;

- 11.3.4 If self-employed, monthly or quarterly documentation if available. If not available, the income tax returns from the previous year. Expenses deducted from income are subject to approval by the Financial Assistance Committee. Depreciation on farm equipment will not be included as an expense for purposes under this Policy;
- 11.3.5 Interest statements from banks, savings and loans or other investment sources;
- 11.3.6 Most recent IRS Income Tax Return forms for all wage earners in the household.
- 11.3.7 W2 forms.
- 11.3.8 Statements from Social Security Administration, DHS office and unemployment
- 11.3.9 For household members receiving child support or alimony payments copy of court order mandating those payments
- 11.3.10 If no income, patient must present the following:
  - a. A notarized statement testifying as to how long they have been without income.
  - b. A notarized statement testifying as to how they are obtaining food and housing.

#### 11.4 Asset Verification

Assets must be real and available to the patient. Assets to be included are, but are not limited to:

- 11.4.1 Cash;
- 11.4.2 Checking and Savings Accounts;
- 11.4.3 Certificates of Deposits;
- 11.4.4 Stocks;
- 11.4.5 Bonds;
- 11.4.6 Other Securities;
- 11.4.7 The equity of real property (excluding primary residence), including income producing property;
- 11.4.8 The equity of motor vehicles (excluding 1 vehicle);
- 11.4.9 Retirement Accounts.

## **12.0 Length of Eligibility**

Once financial assistance has been approved, the discount is effective for 6 months.

## **13.0 Notification of Eligibility Determination**

Patients/Guarantors and all household members will be notified by letter of the final determination of eligibility for financial assistance.

**SCHEDULE A**  
**Subsidy Eligibility Discount Guidelines**  
**NARMC – 2024 Federal Poverty Level Guidelines**  
(Revised April 2024)

Patients may be eligible for a subsidy discount of **100%** if net household income is less than or equal to 138% of FPL

**0% - 138% FPL**

<b>Family Size</b>	<b>1</b>	<b>2</b>	<b>3</b>	<b>4</b>	<b>5</b>	<b>6</b>	<b>7</b>	<b>8</b>	<b>For Each Person Add</b>
Net Monthly Income	\$1,835	\$2,489	\$3,142	\$3,795	\$4,448	\$5,101	\$5,755	\$6,408	\$553
Net Annual Income	\$22,024	\$29,863	\$37,701	\$45,540	\$53,378	\$61,216	\$69,055	\$76,893	\$4,540

Patients may be eligible for a subsidy discount of **50%** of AGB if net household income is at or between 139% FPL to 200% FPL

**139% - 200% FPL**

<b>Family Size</b>	<b>1</b>	<b>2</b>	<b>3</b>	<b>4</b>	<b>5</b>	<b>6</b>	<b>7</b>	<b>8</b>	<b>For Each Person Add</b>
Net Monthly Income	\$2,660	\$3,607	\$4,553	\$5,500	\$6,447	\$7,393	\$8,340	\$9,287	\$737
Net Annual Income	\$31,920	\$43,280	\$54,640	\$66,000	\$77,360	\$88,720	\$100,080	\$111,440	\$4,540

The income amounts are computed based upon the 2026 Federal Poverty Guidelines as published by the U.S. Department of Health and Human Services and are subject to change when HHS modifies their poverty guidelines.